



NEWS RELEASE

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NMA ON COUNTRY-OF-ORIGIN LABELING GUIDELINES

Oakland, CA - On Tuesday, October 8, USDA issued guidelines to implement the country-of-origin labeling provisions of the 2002 Farm Bill. That law requires the Secretary to promulgate a regulation for mandatory country-of-origin labeling by September 30, 2004.

NMA's Executive Director Rosemary Mucklow said: "For better or worse, the new "voluntary" guidelines show the major flaws in the legislation which will make mandatory regulations unworkable. One of the key problems with the new guidelines are their prescripts for labeling products which have more than one country-of-origin, suggesting that statements with multiple country sources will be highly confusing to consumers and will generate more litigation than information."

A sleeper in the new guidelines is the mandatory requirement for commodity identification and record keeping. For example:

"Any person engaged in the business of supplying a covered commodity to a retailer must make available information to the retailer indicating the country-of-origin . . . such persons, which include, but are not limited to, producers, growers, handlers, packers, processors and importers must maintain auditable records documenting the origin of covered commodities."

This provision means that livestock producers will have to create and maintain auditable records identifying the origin of every animal they own. These records will have to be maintained for a minimum of two years. When mandatory regulations are issued, the identification and audit trail requirements will have to take effect months or years before retailers will be able to obtain accurate information to support their country-of-origin labels because the birth date of most dairy and beef bovines in milking and breeding stocks and even feed lot bovines will precede the effective date of the law. The bottom line is that the new Farm Bill provisions will apparently cause the application of livestock ID and audit trail requirements to producers substantially before label information can be supported at the retail counter for consumers.

Mucklow said: "The adverse consequences that will now burden producers to maintain birth records on every animal is one additional marginal cost that will increase the price gap between red meat and poultry on a livestock industry that is woefully unprepared. While this output may never have been considered by the proponents that pressed for the legislation in Washington, often the most certain rule about government programs is the rule of unintended consequences." Mucklow added: "It's just one more train wreck that the red meat industry is doing to itself."

National Meat Association is a non-profit trade association representing meat packers and processors, as well as equipment manufacturers and suppliers who provide services to the meat industry. The association, with over 600 members throughout the United States, includes membership in Canada, Australia and Mexico.